

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-047-C - ORDER NO. 96-493
JULY 25, 1996

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IN RE: Petition of Cable & Wireless, Inc.) ORDER
 for Alternative Regulation.) GRANTING
) PETITION

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the Petition of Cable & Wireless, Inc. ("Cable & Wireless" or "the Company") requesting the Commission to approve "relaxed regulation" through procedures approved for AT&T Communications of the Southern States, Inc. (AT&T) as established in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

The Commission's Executive Director instructed Cable & Wireless to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the area affected by the Application. The purpose of the Notice of Filing was to inform interested parties of Cable & Wireless' Application and of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Cable & Wireless complied with the instructions of the Executive Director and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by BellSouth Telecommunications, Inc. ("BellSouth"); the Consumer Advocate for the State of South

Carolina ("the Consumer Advocate"); the South Carolina Telephone Association ("SCTA"); and the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on June 27, 1996, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Cable & Wireless was represented by Frank R. Ellerbe, III, Esquire. BellSouth was represented by Patrick Turner, Esquire; the Consumer Advocate was represented by Elliott F. Elam, Jr., Esquire; and the SCTC and the SCTA were represented by Margaret M. Fox, Esquire. The Commission Staff ("the Staff") was represented by Florence P. Belser, Staff Counsel.

Rachel J. Rothstein, Senior Regulatory Counsel of Cable & Wireless, appeared and offered testimony in support of the Company's Application. Ms. Rothstein testified that Cable & Wireless received its original authority to provide resold interexchange telecommunications services in South Carolina by Commission Order No. 91-48 (dated January 14, 1991) in Docket 90-495-C. Ms. Rothstein stated that Cable & Wireless provides resold interexchange services in South Carolina exclusively to small and medium-sized business customers and that Cable & Wireless has no intention of providing residential services within South Carolina. According to Ms. Rothstein, Cable & Wireless has a relatively small market share compared to the larger interexchange companies such as AT&T, MCI, and Sprint. Ms. Rothstein stated that as of May 1996 Cable & Wireless served approximately 590 accounts. Ms. Rothstein also testified that the

rates of Cable & Wireless reflect averaged toll rates throughout the State of South Carolina.

Ms. Rothstein explained that Cable & Wireless seeks to have its business interexchange services which compete directly with AT&T regulated in the same manner as AT&T's business service offerings. Ms. Rothstein further testified that Cable & Wireless needs the flexibility of the relaxed regulatory treatment in the pricing of its services in order to effectively compete for business customers.

After full consideration of the applicable law, the Company's Petition, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Commission finds that Cable & Wireless is a telecommunications company authorized by the Commission to provide telecommunications services in South Carolina by Commission Order No. 91-48, dated January 14, 1991, in Docket No. 90-495-C. Since its certification, Cable & Wireless has provided interexchange telecommunications services to business customers only.

2. The Commission finds that the regulatory treatment that was approved for AT&T in Orders No. 95-1734 and 96-55 (and which is also referred to as "relaxed regulation" or "streamlined regulation") is appropriate regulatory treatment for Cable & Wireless and its business service offerings.

CONCLUSIONS OF LAW

1. Finding of Fact No. 1 is essentially jurisdictional in nature and is not contested by the parties.

2. After due consideration in this matter, the Commission grants the Petition of Cable & Wireless for "relaxed regulation." This "relaxed regulation" (which has also been referred to as "streamlined regulation") is identical to the rate design set forth by this Commission for AT&T in Order Nos. 95-1734 and 96-55. The Commission believes that the same regulatory treatment that was granted for AT&T is also appropriate for Cable & Wireless as the flexibility under this regulatory scheme will allow Cable & Wireless to compete with AT&T and other interexchange carriers.

Under this "relaxed regulation," Cable & Wireless will not be required to file maximum rates (cap requirements) on its business service offerings, although the Commission will maintain regulatory authority concerning the business services. The Company's tariffs will be presumed valid upon filing, but the Commission may institute an investigation of the tariff filing within seven (7) days, in which case the tariff filing will be suspended pending further Order of the Commission. Cable & Wireless will be subject to the same monitoring process as AT&T and similarly regulated companies. The Commission specifically reserves the right and authority to modify, eliminate or continue the procedures contained herein in the discretion of the Commission. The regulatory treatment approved herein applies only to business service offerings.

The Commission believes that the same rationale exists in this case as existed in Order Nos. 95-1734 and 96-55, wherein the Commission ordered "relaxed regulation" or "streamlined regulation" for AT&T. The Commission holds that a reasonable methodology should be available to interexchange carriers which will allow them the flexibility to adjust the rates and charges for their business services in response to changes in the market place. The Commission believes that the methodology adopted for AT&T in Order Nos. 95-1734 and 96-55 is also appropriate for Cable & Wireless. The Commission reiterates its belief that it has the authority to impose this "relaxed regulation" or "streamlined regulation" under S.C. Code Ann. §58-9-720 (Supp.1995) and Order No. 84-622.

IT IS THEREFORE ORDERED THAT:


1. The business service offerings of Cable & Wireless shall be regulated under the procedures approved for AT&T as established in Orders No. 95-1734 and 96-55. Under this regulatory scheme, which also has been referred to as "relaxed regulation" and "streamlined regulation," Cable & Wireless will not be required to file maximum rates (cap requirements) on its business service offerings, although the Commission will maintain regulatory authority concerning the business services. Cable & Wireless' tariffs will be presumed valid upon filing, but the Commission may institute an investigation of the tariff filing within seven (7) days, in which case the tariff filing will be suspended pending further Order of the Commission. Cable & Wireless will be subject

to the same monitoring process as AT&T and similarly regulated companies. The Commission specifically reserves the right and authority to modify, eliminate or continue the procedures contained herein in the discretion of the Commission.

2. Cable & Wireless is responsible for complying with and meeting all other terms of its original order granting certification.

3. This Order shall remain in effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)